

Introduced by Senator Price

February 19, 2010

An act to amend Section 19605.25 of the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

SB 1439, as introduced, Price. Horse racing: minisatellite wagering facilities.

Existing law authorizes the California Horse Racing Board to approve an additional 15 minisatellite wagering sites in each zone under certain conditions, including that no site is within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility. Existing law provides that if the proposed facility is within 20 miles of one of the above-referenced satellite facilities, then the consent of each facility within a 20-mile radius must be given before the proposed facility may be approved by the board. Existing law requires the written consent of the San Mateo County Fair be obtained prior to the approval of any minisatellite wagering site located within a 20-mile radius of its fairground.

This bill would provide that the requirement that the approval of a racetrack, satellite wagering facility, tribal casino that has a satellite wagering facility, or fair be obtained if the proposed minisatellite wagering facility is within 20 miles shall only apply to those facilities that are operated by racetracks or fairs that actually conduct 7 weeks or more of live racing in the preceding year. The bill would authorize the board, if a satellite wagering facility or tribal casino does not consent to a minisatellite wagering facility being situated within 20 miles, to conduct a one-year test at the proposed site in order to determine its impact on total parimutuel revenues and on attendance and wagering

at existing satellite wagering facilities. The bill would authorize a certain impact fee, as provided.

This bill would specify how mileages are to be measured for purposes of the above provisions.

This bill would make clarifying and other technical changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19605.25 of the Business and Professions
2 Code is amended to read:

3 19605.25. (a) ~~The California Horse Racing Board~~ *board* may
4 approve an additional 15 minisatellite wagering sites in each zone,
5 if all of the following conditions are met:

6 (1) No site is within 20 miles of a racetrack, a satellite wagering
7 facility, or a tribal casino that has a satellite wagering facility. If
8 the proposed *minisatellite wagering* facility is within 20 miles of
9 one of the above-referenced ~~satellite~~ facilities, then the consent of
10 each *such* facility within ~~a 20-mile radius~~ *20 miles* must be given
11 before the proposed *minisatellite wagering* facility may be
12 approved by the board.

13 (2) An agreement in accordance with subdivision (a) of Section
14 19605.3 has been executed and approved by the board. In addition
15 to the requirements set forth in that provision, the agreement shall
16 specify which components of its racing program, including live,
17 out-of-zone, out-of-state, and out-of-country races, an association
18 or fair will make available to the site. The terms and ~~condition~~
19 *conditions* of the agreement, including all fees payable pursuant
20 to paragraph (3) of that provision, a portion of which may be paid
21 to horsemen in the form of purses, shall be subject to the approval
22 of the horsemen's organization responsible for negotiating purse
23 agreements with the association or fair.

24 (3) The site is approved by the board.

25 (4) The wagers are accepted in an area that is accessible only
26 to those who are at least 21 years of age.

27 (5) The board has approved the accommodation, equipment
28 used in conducting wagering at the site, communications system,
29 technology, and method used by the site to accept wagers and
30 transmit odds, results, and other data related to wagering.

1 (b) Parimutuel clerks shall be available to service the self-service
2 tote machines at these locations, and to cash wagering vouchers
3 on a regularly scheduled basis.

4 (c) Until January 1, 2013, if the proposed minisatellite wagering
5 site is in the northern zone in a fair district where the fair has
6 operated a satellite wagering facility for the previous five years,
7 the approval of the fair must be obtained even if the proposed
8 location is more than 20 miles from the existing satellite wagering
9 facility operated by the fair.

10 (d) For purposes of commissions, deductions, and distribution
11 of handle, wagers placed at minisatellite sites shall be treated as
12 if they were placed at satellite wagering facilities authorized under
13 Section 19605, 19605.1, or 19605.2. Section 19608.4 shall apply
14 to minisatellite wagering facilities.

15 (e) The written consent of the San Mateo County Fair shall be
16 obtained prior to the approval of any minisatellite wagering site
17 located within a ~~20-mile radius~~ *20 miles* of its fairground.

18 (f) Minisatellite wagering facilities created pursuant to this
19 section are not eligible for satellite wagering commission
20 distributions pursuant to Section 19604.

21 (g) The board shall adopt emergency regulations to implement
22 these new facilities on or before April 1, 2008. The board, in
23 adopting these regulations, shall minimize the expense to both the
24 operator of the minisatellite facility and the host racetrack.

25 (h) If there are more than 15 applications for minisatellite
26 wagering facilities in any zone, the board shall determine which
27 facilities will generate the largest handle, and give priority to the
28 approval of those facilities. The board shall license a minisatellite
29 facility for two years, and then review the operation and the size
30 of the handle, and determine if it is in the best interest of horse
31 racing to relicense the facility or, in the alternative, license another
32 minisatellite facility that might generate a greater handle.

33 (i) Except as may be provided in the agreement required
34 pursuant to paragraph (2) of subdivision (a), no association or fair
35 shall be required to make all or part of its racing program available
36 to a minisatellite wagering facility. Notwithstanding subdivision
37 (e) of Section 19608.2, all costs incurred by the organization
38 executing that agreement in excess of the amounts distributable
39 to the organization from wagers placed at the site on that racing
40 program, shall be borne by the minisatellite wagering facility.

1 (j) Notwithstanding subdivisions (a) and (e), the requirement
2 that the approval of a racetrack, satellite wagering facility, tribal
3 casino that has a satellite wagering facility, or fair be obtained if
4 the proposed minisatellite wagering facility is within 20 miles shall
5 only apply to those facilities that are operated by racetracks or
6 fairs that actually conduct seven weeks or more of live racing in
7 the preceding year. If a satellite wagering facility, or tribal casino
8 that has a satellite wagering facility, does not consent to a
9 minisatellite wagering facility being situated within 20 miles, the
10 board may conduct a one-year test at the proposed site in order
11 to determine the impact of the proposed minisatellite wagering
12 facility on total parimutuel revenues, and on the attendance and
13 wagering at existing satellite wagering facilities. During the
14 one-year study, the operator of the minisatellite wagering facility
15 and the satellite wagering facility operated by a fair or a tribal
16 casino may enter into an agreement providing for the payment of
17 an impact fee. If there is no agreement within that year, the board
18 may hear testimony from both parties and impose an impact fee
19 based on the results of the one-year test study. A decision of the
20 board regarding a proposed site may cover the period of time
21 during which the test is to be conducted, as well as apply to the
22 operation of the minisatellite wagering facility if it continues to
23 operate beyond one year.

24 (k) For purposes of this section, mileages shall be measured
25 property line to property line by the shortest publicly accessible
26 driving route.